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DOUGLAS & CRYSTAL YAEGER

6 **U.S. DISTRICT COURT**
7 **CENTRAL DISTRICT OF CALIFORNIA**

8 DOUGLAS YAEGER, an individual,
& CRYSTAL YAEGER, an
9 individual,

10 vs.

11 EXPERIAN INFORMATION
SERVICES, INC.; EQUIFAX
12 INFORMATION SERVICES, LLC,

13 Defendants.

Case No.:

**COMPLAINT FOR VIOLATIONS
OF:**

1. **FEDERAL FAIR CREDIT
REPORTING ACT,**
2. **CALIFORNIA CONSUMER
CREDIT REPORTING
AGENCIES ACT**

14 TO THE CLERK OF THE COURT, ALL PARTIES, AND THE HONORABLE U.S.
15 DISTRICT COURT JUDGE:

16 Plaintiffs, DOUGLAS & CRYSTAL YAEGER, both individuals, by and through
17 their attorneys of record, hereby complain and allege as follows:

18 **INTRODUCTION**

19 1. Plaintiffs, through their attorneys, bring this action to challenge the actions of
20 Defendant EXPERIAN INFORMATION SERVICES, INC. (hereinafter
21 “EXPERIAN”) and Defendant EQUIFAX INFORMATION SERVICES, LLC

1 (hereinafter “EQUIFAX”), for failing to conduct a reasonable investigation into
2 Plaintiff’s disputes of the misinformation upon her consumer credit report, failing to
3 delete inaccurate information thereupon, and failing to maintain and follow reasonable
4 procedures to ensure maximum possible accuracy of the Plaintiff’s consumer credit
5 report, all violations of the California Consumer Credit Reporting Agencies Act (Cal.
6 Civ. Code §§ 1785.1-1785.36) (“California CCRAA”); and the Federal Fair Credit
7 Reporting Act (15 U.S.C. §§ 1682-1681x) (“Federal FCRA”).

8 **JURISDICTION & VENUE**

9 2. This action arises out of Defendants EQUIFAX’s and EXPERIAN’s violations of
10 the Federal FCRA, over which the U.S. District Court has original subject matter
11 jurisdiction pursuant to 28 U.S.C. § 1331, 15 U.S.C. § 1681p.

12 3. The U.S. District Court has supplemental jurisdiction over Plaintiff’s causes of
13 action for the State of California CCRAA, pursuant to 28 U.S.C. § 1367(a).

14 5. Defendants EXPERIAN and EQUIFAX both regularly conduct business
15 within the State of California by collecting personal information related to every adult
16 resident of the State of California and providing that information to various business
17 entities within the State of California, and therefore personal jurisdiction is established.

18 6. Because all tortious conduct occurred while Plaintiffs resided in the
19 County of Riverside, venue properly lies in this court.

20 **PARTIES & DEFINITIONS**

21 7. Plaintiffs are each a natural person whose permanent residence is in the

1 County of Rierside, State of California.

2 8. Defendant EQUIFAX is physically located at 1550 Peachtree Street NW,
3 H46, in the City of Atlanta, State of Georgia, but regularly does business in the State of
4 California as identified above.

5 9. Defendant EXPERIAN is physically located at 475 Anton Blvd., H46, in
6 the City of Costa Mesa, State of California, and regularly does business in the State of
7 California.

8 10. Plaintiff are each a natural person, and therefore a “consumer” as that term
9 is defined by Calif. Civ. Code § 1785.3(b) of the California CCRAA and 15 U.S.C. §
10 1681a(c) of the Federal FCRA.

11 11. The causes of action herein partially pertain to Plaintiffs’ “consumer credit
12 reports”, as that term is defined by Calif. Civ. Code § 1785.3(c) of the California
13 CCRAA and 15 U.S.C. § 1681a(d)(1) of the Federal FCRA, in that inaccurate
14 misrepresentations of Plaintiffs’ credit worthiness, credit standing, and credit capacity
15 were made via written, oral, or other communication of information by a consumer
16 credit reporting agency, which is used or is expected to be used, or collected in whole or
17 in part, for the purpose of serving as a factor in establishing Plaintiffs’ eligibility for,
18 among other things, credit to be used primarily for personal, family, or household
19 purposes, and employment purposes.

20 12. The causes of action herein also pertain to Plaintiff’ ““consumer credit
21 report” as that term is defined by Cal. Civ. Code § 1785.3(d), in that inaccurate

1 representations of Plaintiffs' credit worthiness, credit standing, and credit capacity were
2 made via written, oral, or other communication of information by a consumer credit
3 reporting agency, which is used or is expected to be used, or collected in whole or in
4 part, for the purposes of serving as a factor in establishing Plaintiffs' eligibility for,
5 among other things, credit to be used primarily for personal, family, household and
6 employment purposes.

7 13. Defendants EXPERIAN and EQUIFAX are each a "consumer reporting
8 agency" as defined in 15 U.S.C. § 1681a(f) of the Federal FCRA and Calif. Civil Code
9 § 1788.3(d) of the California CCRA, as it regularly engages in whole or in part, for
10 monetary fees, dues, or on a cooperative nonprofit basis, in the practice of assembling
11 or evaluating consumer credit information or other information on consumers for the
12 purpose of furnishing consumer reports to third parties, and which uses any means or
13 facility of interstate commerce for the purpose of preparing or furnishing consumer
14 reports.

15 **FACTUAL ALLEGATIONS**

16 14. In March of 2015, Plaintiffs settled a lawsuit against Wells Fargo Bank,
17 N.A. entitled *Douglas Yaeger et al. v. Wells Fargo Home Mortgage Inc. et al* within the
18 Superior Court for the County of Riverside, case number MCC1400702.

19 15. The settlement agreement called for Wells Fargo Bank, N.A. to update the
20 manner of its reporting of its home mortgage loan account with Plaintiffs, by changing
21

1 the Metro 2¹ Account Status Code from 94 to Account Status Code 65.

2 16. The resulting effect is that the comments section of the account as reported
3 by Wells Fargo Bank, N.A. would be changed from “settled less than full balance” to
4 “account paid in full; foreclosure was started”.

5 17. This was an important update for Plaintiffs, because they did, in fact, pay
6 the mortgage loan in full after foreclosure proceedings had started, and it is false for
7 anyone to claim that the account was settled for less than full balance.

8 18. Accurately stating that the account was paid in full is an accurate reflection
9 of Plaintiffs’ creditworthiness, as it shows that they pay their accounts in full as
10 opposed to trying to negotiate their debts and financial obligations down to a lesser
11 amount.

12 19. In August 2015, Plaintiffs discovered that the Wells Fargo Bank, N.A.
13 mortgage loan account was still reflecting on their credit reports as “settled less than
14 full balance”.

15 20. By letters dated September 1, 2015, Plaintiffs each sent individual dispute
16 letters on their own behalf to Defendants EXPERIAN and EQUIFAX informing each
17 Defendant that the Wells Fargo account should not be reported as “settled less than full
18 balance” because the loan was actually paid in full.

19
20 ¹ Metro 2 is a credit reporting guideline developed by the Consumer Data Industry Association
21 (“CDIA”), a trade-group of which Defendants are key members. Metro 2 represents the industry
standard, and credit furnishers are required by the credit bureaus, including Defendants, to provide
credit information according to the Metro 2 Guidelines.

1 21. Defendants EXPERIAN and EQUIFAX received these dispute letters, as is
2 evidenced by the fact that the credit reports prepared for Plaintiffs in October 2015 and
3 later acknowledge the disputes having been lodged as to the Wells Fargo account.

4 22. Wells Fargo Bank, N.A. has provided to Plaintiffs an Automated Universal
5 Data form—the standard form for a bank/creditor to use when updating account
6 information to a credit reporting agency—confirming that on September 9, 2015, Wells
7 Fargo Bank, N.A. informed both Defendants EXPERIAN and EQUIFAX that the
8 account with Plaintiffs must be updated with Metro 2 Status Code 65 so that the
9 account would reflect “account paid in full; foreclosure was started”.

10 23. However, Plaintiffs’ consumer credit reports with Defendants from
11 November 2015 to the present time still inaccurately reflect the wrong status by
12 claiming that the account with Wells Fargo Bank, N.A. was settled less than full
13 balance, while yet acknowledging the consumers’ disputes.

14 24. Plaintiffs are therefore informed and believe that both Defendants have
15 failed to conduct a reasonable investigation into their disputes from September 2015, as
16 they have clearly refused to accept Wells Fargo’s updated information.

17 25. Plaintiffs are also therefore informed and believe that both Defendants
18 have failed to maintain and follow reasonable procedures to ensure maximum possible
19 accuracy of the information being reported about the consumers to whom the
20 information pertains.

21 26. Plaintiffs are informed and believe that Defendants’ violations were

1 willful, since they clearly identified the inaccurate information being reported and
 2 because Wells Fargo Bank, N.A. has provided them with proof that the account was
 3 properly updated by them.

4 27. As a result, Plaintiffs have suffered mental anguish and emotional distress
 5 by way of anxiety, nervousness, sleeplessness, and feelings of despair and frustration
 6 over the thought that even after a lawsuit against the furnisher (Wells Fargo Bank,
 7 N.A.) the problem still is not rectified due to Defendants' willful refusal to accept the
 8 updated information, as well as fear, humiliation, and embarrassment over the thought
 9 that potential creditors and anyone else viewing their credit reports is seeing the false
 10 information that they settled the account less than full balance, thereby creating the
 11 false impression that they fail to pay their debts and financial obligations in full.

12 28. At all times during the aforementioned actions, there was in full force and
 13 effect the following obligations pertaining to Defendants EXPERIAN and EQUIFAX,
 14 pursuant to Calif. Civ. Code § 1785.16 of the California CCRA (emphasis added):

15 (a) If the completeness or accuracy of any item of information
 16 contained in his or her file is disputed by a consumer, and the
 17 dispute is conveyed directly to the consumer credit reporting
 18 agency by the consumer or user on behalf of the consumer, the
 19 consumer credit reporting agency shall within a reasonable
 20 period of time and without charge, reinvestigate and record the
 21 current status of the disputed information before the end of the
30-business-day period beginning on the date the agency receives
notice of the dispute from the consumer or user, unless the
 consumer credit reporting agency has reasonable grounds to
 believe and determines that the dispute by the consumer is
 frivolous or irrelevant, including by reason of a failure of the
 consumer to provide sufficient information, as requested by the

1 consumer credit reporting agency, to investigate the dispute.
 2 Unless the consumer credit reporting agency determines that the
 3 dispute is frivolous or irrelevant, before the end of the five-
 4 business-day period beginning on the date the consumer credit
 5 reporting agency receives notice of dispute under this section, the
 6 agency shall notify any person who provided information in
 7 dispute at the address and in the manner specified by the person. A
 8 consumer credit reporting agency may require that disputes by
 9 consumers be in writing.

10 (b) In conducting that reinvestigation the consumer credit reporting
 11 agency shall review and consider all relevant information
 12 submitted by the consumer with respect to the disputed item of
 13 information. If the consumer credit reporting agency determines
 14 that the dispute is frivolous or irrelevant, it shall notify the
 15 consumer by mail or, if authorized by the consumer for that
 16 purpose, by any other means available to the consumer credit
 17 reporting agency, within five business days after that determination
 18 is made that it is terminating its reinvestigation of the item of
 19 information. In this notification, the consumer credit reporting
 20 agency shall state the specific reasons why it has determined that
 21 the consumer's dispute is frivolous or irrelevant. If the disputed
item of information is found to be inaccurate, missing, or can no
longer be verified by the evidence submitted, the consumer credit
reporting agency shall promptly add, correct, or delete that
information from the consumer's file.

22 29. At all times during the aforementioned actions, there was in full force and
 23 effect the following obligation pertaining to Defendants EXPERIAN and EQUIFAX,
 24 pursuant to 15 U.S.C. § 1681i(a)(1)(A), & 1681i(a)(5)(A) of the Federal FCRA
 25 (emphasis added):

26 (a)(1)(A) In general. Subject to subsection (f), if the completeness or
 27 accuracy of any item of information contained in a consumer's file at a
 28 consumer reporting agency is disputed by the consumer and the consumer
 29 notifies the agency directly, or indirectly through a reseller, of such
 30 dispute, the agency shall, free of charge, conduct a reasonable

reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.

(a)(5)(A) In general. If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall—

(i) promptly delete that item of information from the file of the consumer, or modify that item of information, as appropriate, based on the results of the reinvestigation; and

(ii) promptly notify the furnisher of that information that the information has been modified or deleted from the file of the consumer.

30. At all times during the aforementioned actions, there was in full force and effect the following obligation pertaining to Defendants EXPERIAN and EQUIFAX, pursuant to 15 U.S.C. § 1681e(a) & (b) of the Federal FCRA (emphasis added):

(a) Identity and purposes of credit users. Every consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 605 [15 USCS § 1681c] and to limit the furnishing of consumer reports to the purposes listed under section 604 [15 USCS § 1681b]. These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. Every consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by such prospective user prior to furnishing such user a consumer report. No consumer reporting agency may furnish a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 604 [15 USCS § 1681b].

1 (b) Accuracy of report. Whenever a consumer reporting agency prepares a
2 consumer report it shall follow reasonable procedures to assure maximum
3 possible accuracy of the information concerning the individual about
4 whom the report relates.

5 **FIRST CAUSE OF ACTION AS TO BOTH DEFENDANTS**
6 **CALIFORNIA CONSUMER CREDIT REPORTING AGENCIES ACT**
7 **Calif. Civ. Code § 1785.16**

8 31. Plaintiffs repeat, re-allege, and incorporate by reference all other
9 paragraphs, as if fully set forth herein.

10 32. As the credit reporting agencies, Defendants EXPERIAN and EQUIFAX
11 have always been required to comply with California Civil Code § 1785.16(a)-(b) of the
12 California CCRA.

13 33. Plaintiffs are informed and believe that Defendants EXPERIAN and
14 EQUIFAX violated California Civil Code § 1785.16(a)-(b) of the California CCRA
15 after they lodged a written dispute with them in September 2015 by failing to conduct a
16 reasonable investigation into the accuracy of the information being disputed by
17 Plaintiffs, failed to correct or delete the information, failed to consider all relevant
18 information, and failed to employ and follow reasonable procedures to prevent such
19 inaccurate reporting since Defendant's subsequent reports have maintained the very
20 inaccurate information about which Plaintiffs complained and have obtained proof from
21 Wells Fargo as to its furnishing of the updated information.

22 34. Plaintiffs are informed and believe that Defendant EXPERIAN's and
EQUIFAX's violations were willful, since they clearly identified the inaccurate

1 information being reported and because Wells Fargo Bank, N.A. has provided them
2 with proof that the account was properly updated by them.

3 35. As a result, Plaintiffs have suffered mental anguish and emotional distress
4 by way of anxiety, nervousness, sleeplessness, and feelings of despair and frustration
5 over the thought that even after a lawsuit against the furnisher (Wells Fargo Bank,
6 N.A.) the problem still is not rectified due to Defendants' willful refusal to accept the
7 updated information, as well as fear, humiliation, and embarrassment over the thought
8 that potential creditors and anyone else viewing their credit reports is seeing the false
9 information that they settled the account less than full balance, thereby creating the
10 false impression that they fail to pay their debts and financial obligations in full.

11 **SECOND CAUSE OF ACTION AS TO BOTH DEFENDANTS**
12 **FEDERAL FAIR CREDIT REPORTING ACT**
13 **15 U.S.C. §§ 1681i(a)(1)(A) & (a)(5)(A); and 1681e(a), (b)**

14 36. Plaintiffs repeat, re-allege, and incorporate by reference all other
15 paragraphs, as if fully set forth herein.

16 37. As the credit reporting agencies, Defendants EXPERIAN and EQUIFAX
17 have always been required to comply with 15 U.S.C. §§ 1681i(a)(1)(A) & (a)(5)(A) and
18 1681e(a) & (b) of the Federal FCRA.

19 38. Plaintiffs are informed and believe that Defendants EXPERIAN and
20 EQUIFAX violated 15 U.S.C. §§ 1681i(a)(1)(A) & (a)(5)(A) of the Federal FCRA after
21 they lodged a written dispute with them in September 2015 by failing to conduct a
reasonable investigation into the accuracy of the information being disputed by

1 Plaintiffs, failed to correct or delete the information, failed to consider all relevant
2 information, and failed to employ and follow reasonable procedures to prevent such
3 inaccurate reporting since Defendant's subsequent reports have maintained the very
4 inaccurate information about which Plaintiffs complained and have obtained proof from
5 Wells Fargo as to its furnishing of the updated information.

6 39. Plaintiffs are informed and believe that Defendants EXPERIAN and
7 EQUIFAX violated 15 U.S.C. §§ 1681e(a) & (b) of the Federal FCRA by maintaining
8 the very inaccurate information about which Plaintiffs complained.

9 40. Plaintiffs are informed and believe that Defendant EXPERIAN's and
10 EQUIFAX's violations were willful, since they clearly identified the inaccurate
11 information being reported and because Wells Fargo Bank, N.A. has provided them
12 with proof that the account was properly updated by them.

13 41. As a result, Plaintiffs have suffered mental anguish and emotional distress
14 by way of anxiety, nervousness, sleeplessness, and feelings of despair and frustration
15 over the thought that even after a lawsuit against the furnisher (Wells Fargo Bank,
16 N.A.) the problem still is not rectified due to Defendants' willful refusal to accept the
17 updated information, as well as fear, humiliation, and embarrassment over the thought
18 that potential creditors and anyone else viewing their credit reports is seeing the false
19 information that they settled the account less than full balance, thereby creating the
20 false impression that they fail to pay their debts and financial obligations in full.

21 ///

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs that judgment be entered against Defendants individually, and Plaintiffs be awarded damages as follows:

1. Actual damages in the amount of \$25,000.00, or as the jury may allow at trial, pursuant to 15 U.S.C. §§1681n(a)(1)(A) and 1681o(a)(1) of the Federal FCRA, and Calif. Civ. Code §§1785.31(a)(1) and 1785.31(a)(2)(A) of the Calif. CCRAA;

2. Plus punitive damages in the amount of \$5,000.00 per willful violation pursuant to Calif. Civ. Code §1785.31(a)(2)(B) of the Calif. CCRAA;

3. Plus statutory punitive damages in the amount of \$1,000.00 per willful violation pursuant to 15 U.S.C. §1681n(a)(1)(A) of the Federal FCRA;

4. Plus punitive damages in the amount of \$50,000.00 per willful violation pursuant to 15 U.S.C. §1681n(a)(2) of the Federal FCRA

5. Injunctive relief to remove the inaccurate derogatory credit reporting information;

6. Any reasonable attorney's fees and costs to maintain the instant action pursuant to 15 U.S.C. §§1681n and 1681o of the Federal FCRA, and Calif. Civ. Code §§1785.31 of the Calif. CCRAA.

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TRIAL BY JURY

Pursuant to the Seventh Amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

SEMNR & HARTMAN, LLP

DATED: 03/02/2016

/s/ Jared M. Hartman, Esq.
JARED M. HARTMAN, ESQ.
Attorney for Plaintiffs